



EAST KERN ECONOMIC DIVERSIFICATION PLAN

KERN COUNTY BOARD OF SUPERVISORS

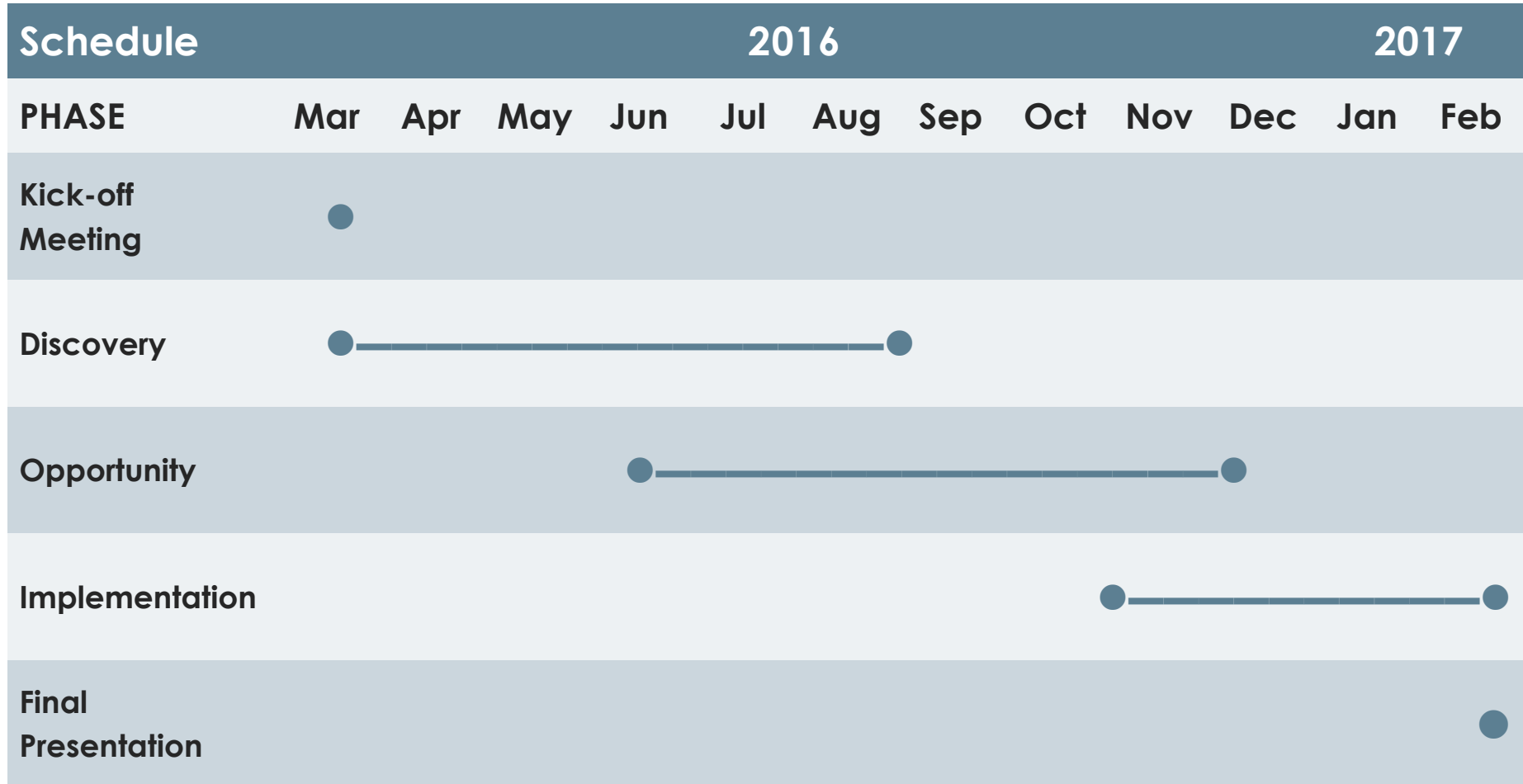
AGENDA

1. Project overview
2. Key findings
3. The plan
4. Next Steps

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PROJECT OVERVIEW

PROJECT SCHEDULE



DELIVERABLES

- East Kern Economic Diversification Plan, with supporting materials (e.g., economic assessment & SWOT, occupational analysis)
- 6 individual community-focused economic development strategic plans for:
 - Boron
 - California City
 - Mojave
 - Ridgecrest
 - Rosamond
 - Tehachapi

WHAT WE'VE DONE

- 16 community/public meetings
- Multiple site tours in each of the 6 communities
- 55 meetings with employers & stakeholders
- Compiled inventory of 50+ resources (organizations, programs, events)
- 27 reports/background studies reviewed
- Dozens of demographic/economic variables analyzed for East Kern & the 6 communities

WHAT WE'VE DONE



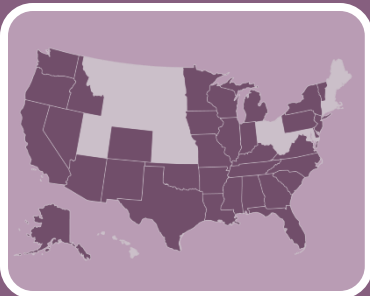
What you tell us

- Community forums
- Employer interviews & site visits
- Discussions with local & regional stakeholders



What the data tells us

- Local & regional economic assessment
- Benchmarking of demographic & economic data
- Industry & occupational analysis



What our experience tells us

- Strategies & actions
- Best practices
- Trends in economic development

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KEY FINDINGS

QUALITATIVE FINDINGS

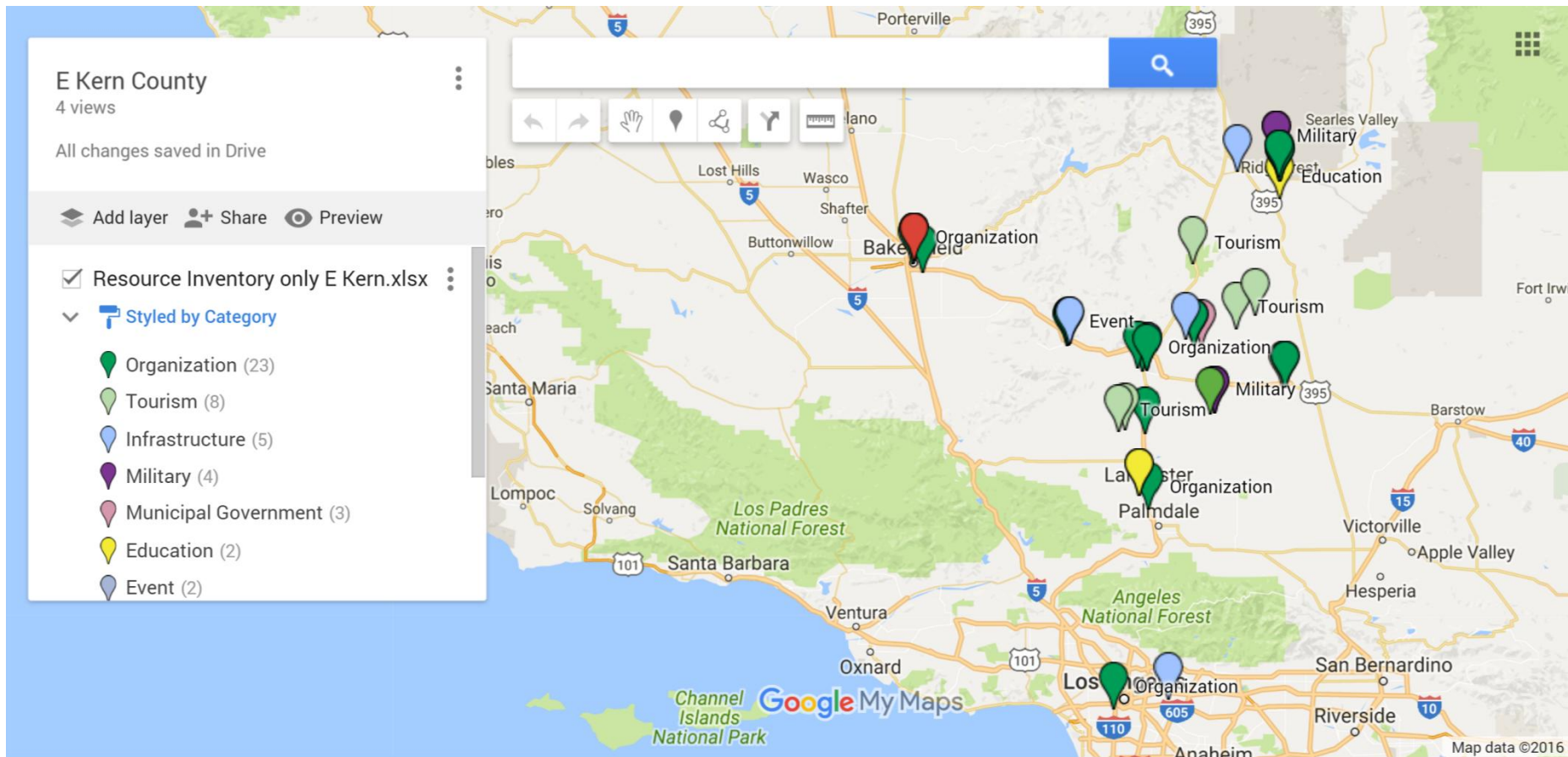
ECONOMIC CHALLENGES

- Regional economy is not diversified
- Workforce retention & attraction
- Relatively low levels of education attainment
- Limited real estate options (comm. & ind.)
- No commercial air service
- Leakage (talent, retail spending) outside of East Kern
- Water availability for current/future demands
- Loss of RDAs
- Land use conflicts & encroachment (esp. at military installations & MASP)

ASSETS & OPPORTUNITIES

- Military installations (China Lake, Edwards) with strong community ties
- Mojave Air & Spaceport (MASP)
- Other major employers (Rio Tinto, prisons)
- East Kern Economic Alliance (EKEA) and other strong economic development partners (Kern EDC, GAVEA, Cerro Coso Community College)
- Proximity to Lancaster/ Palmdale & Greater LA
- Infrastructure investments to support econ. dev.
- Numerous target sectors (military & defense, clean energy, natural resources, prof. svcs, health care, tourism)

RESOURCE INVENTORY



QUANTITATIVE FINDINGS

INCOME LEVELS, 2016

Geography	Median Household Income	Average Household Income	Per Capita Income	Poverty Rate
California	\$62,554	\$90,812	\$30,905	16.4%
Ridgecrest (93527 & 93555)	\$57,957	\$74,855	\$29,488	14.7%
US	\$54,149	\$77,008	\$29,472	15.6%
Tehachapi (93531 & 93561)	\$58,847	\$82,949	\$28,002	12.2%
East Kern	\$54,987	\$72,580	\$26,109	17.0%
Rosamond (93560)	\$53,125	\$67,216	\$22,677	18.0%
California City (93505)	\$51,824	\$63,378	\$22,322	23.9%
Greater Antelope Valley	\$54,580	\$71,887	\$22,318	20.4%
Kern County	\$49,123	\$68,628	\$21,178	23.4%
Boron (93516)	\$36,567	\$49,015	\$19,183	36.8%
Mojave (93501)	\$36,564	\$50,250	\$19,183	35.6%

EDUCATIONAL ATTAINMENT, 2016

Geography	Less than High School	HS Diploma/ GED	Some College (incl. Associate's)	Bachelor's or Above
California	18.5%	20.7%	29.8%	31.0%
US	13.7%	28.0%	29.1%	29.3%
Ridgecrest (93527 & 93555)	10.7%	22.2%	38.5%	28.6%
East Kern	15.9%	26.9%	38.7%	18.5%
GreaterAntelope Valley	20.8%	27.0%	35.9%	16.2%
Tehachapi (93531 & 93561)	15.2%	28.9%	39.9%	16.0%
Kern County	27.0%	26.4%	31.4%	15.2%
California City (93505)	19.3%	29.3%	38.4%	13.0%
Rosamond (93560)	22.1%	28.6%	38.5%	10.8%
Boron (93516)	24.9%	34.3%	30.8%	10.0%
Mojave (93501)	27.1%	31.4%	35.6%	5.8%















































































































EMPLOYMENT TRENDS, 2010-2015

Geography	2010	2015	2010 to 2015		Median Hourly Wage
			Net Chg.	% Chg.	
Boron (93516)	1,047	1,268	+221	+21.1%	\$21.86
Kern County	304,055	347,169	+43,114	+14.2%	\$19.81
California	16,565,942	18,392,737	+1,826,795	+11.0%	\$23.28
Greater Antelope Valley	106,645	117,602	+10,957	+10.3%	\$22.17
US	144.2 M	155.3 M	+11.2 M	+7.7%	\$20.82
Tehachapi (93531 & 93561)	5,741	6,013	+272	+4.7%	\$21.01
East Kern	28,754	29,456	+702	+2.4%	\$24.17
Rosamond (93560)	2,477	2,532	+55	+2.2%	\$23.55
Ridgecrest (93527 & 93555)	11,586	11,772	+186	+1.6%	\$24.48
Mojave (93501)	2,828	2,812	-16	-0.6%	\$23.64
California City (93505)	2,414	2,384	-30	-1.2%	\$27.82

HOUSING STRUCTURE

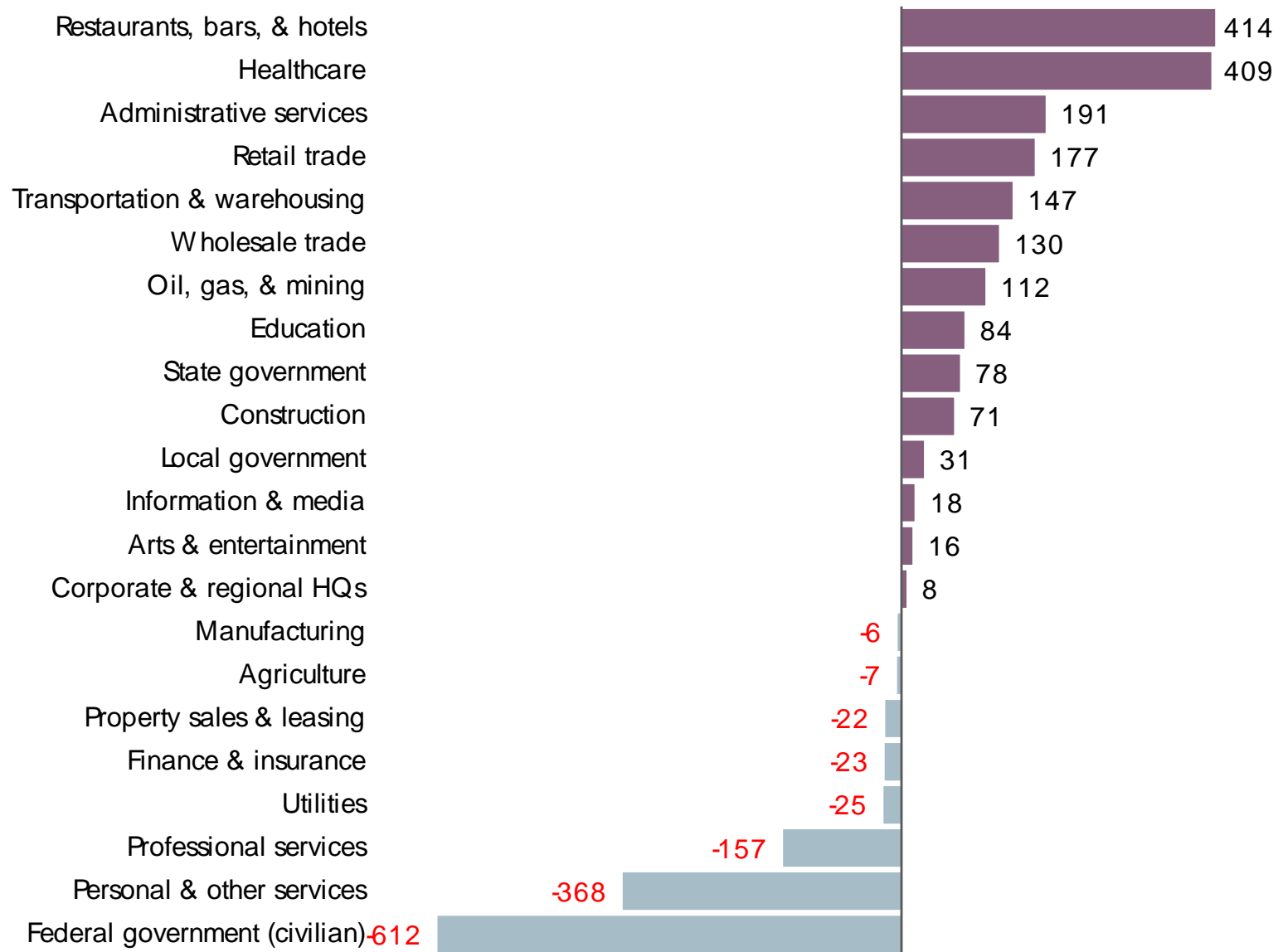
Geography	Total Housing Units	% Owner Occupied	% Renter Occupied	% Vacant	Median Contract Rent	Median Yr. Structure Built
Boron (93516)	1,259	39.2%	27.8%	33.0%	\$561	1959
California City (93505)	6,117	48.1%	28.7%	23.3%	\$638	1991
Mojave (93501)	2,360	42.8%	39.0%	18.2%	\$571	1975
East Kern	48,191	53.2%	29.4%	17.4%	\$725	1984
Rosamond (93560)	7,307	53.0%	30.5%	16.5%	\$842	1992
Tehachapi (93531 & 93561)	13,334	59.5%	24.6%	15.9%	\$774	1987
Ridgecrest (93527 & 93555)	15,985	56.2%	29.8%	14.0%	\$701	1980
US	132.7 M	56.3%	31.2%	12.5%	\$767	1976
Greater Antelope Valley	172,738	56.2%	32.0%	11.9%	\$896	1986
Kern County	287,775	51.2%	38.4%	10.4%	\$746	1981
California	13,781,929	50.1%	41.4%	8.5%	\$1,138	1974

LOCATION QUOTIENTS (LQs) BY INDUSTRY, 2015

NAICS Code & Description	East Kern		Kern County		Greater Antelope Valley		California		US	
9011 Federal govt. (civilian)	11.23		1.55		4.03		0.73		1.00	
21 Mining (incl. oil & gas)	4.93		6.15		1.31		0.30		1.00	
22 Utilities	2.23		0.87		0.81		0.87		1.00	
54 Professional services	1.20		0.53		0.90		1.23		1.00	
9029 State govt.	1.19		1.58		0.38		0.80		1.00	
44-45 Retail trade	1.05		0.96		1.51		0.91		1.00	
53 Property sales & leasing	1.03		0.72		1.07		1.16		1.00	
72 Lodging, restaurants, & bars	1.02		0.82		1.26		1.01		1.00	
81 Personal & other services	0.90		0.70		1.15		1.00		1.00	
61 Education	0.85		0.94		0.85		0.94		1.00	
9039 Local govt.	0.81		1.08		0.77		1.07		1.00	
56 Administrative & support services	0.81		0.71		0.85		1.05		1.00	
71 Arts, entertainment, & recreation	0.72		0.58		0.53		1.22		1.00	
48-49 Transportation & warehousing	0.70		0.89		0.78		0.88		1.00	
62 Healthcare & social assistance	0.70		0.79		1.44		1.39		1.00	
31-33 Manufacturing	0.52		0.51		0.35		0.88		1.00	
23 Construction	0.50		1.05		0.86		1.00		1.00	
42 Wholesale trade	0.38		0.70		0.37		1.04		1.00	
52 Finance & insurance	0.37		0.42		0.51		0.78		1.00	
51 Information	0.30		0.50		0.49		1.52		1.00	
55 Corporate & regional offices	0.20		0.67		0.07		0.88		1.00	
11 Agriculture & forestry	0.02		14.89		0.07		1.99		1.00	

Source: EMSI, 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

JOB GROWTH TRENDS BY INDUSTRY, 2010-2015



Source: EMSI, 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

LOCATION QUOTIENTS (LQs) BY OCCUPATION, 2015

SOC Code & Description	East Kern	Kern County	Greater Antelope Valley	California	US
17 Architecture & Engineering	3.66	1.32	1.35	1.16	1.00
19 Life, Physical, & Social Science	2.45	1.07	1.31	1.35	1.00
33 Protective Service	1.76	1.32	0.98	0.97	1.00
13 Business & Financial Operations	1.51	0.70	0.98	1.10	1.00
49 Installation, Maintenance, & Repair	1.43	1.10	0.93	0.83	1.00
15 Computer & Mathematical	1.36	0.51	0.92	1.16	1.00
21 Community & Social Service	1.29	1.18	1.46	0.99	1.00
25 Education, Training, & Library	1.04	1.06	0.97	0.95	1.00
53 Transportation & Material Moving	0.94	1.13	0.89	0.95	1.00
35 Food Preparation & Serving Related	0.93	0.78	1.22	1.01	1.00
11 Management	0.92	0.90	0.92	1.12	1.00
39 Personal Care & Service	0.90	0.74	1.11	1.04	1.00
29 Healthcare Practitioners & Technical	0.88	0.73	1.22	0.84	1.00
43 Office & Administrative Support	0.84	0.73	1.00	0.97	1.00
27 Arts, Design, Entertain., & Media	0.83	0.60	0.72	1.43	1.00
41 Sales & Related	0.82	0.78	1.17	0.99	1.00
37 Building/ Grounds Clean. & Maint.	0.78	0.81	0.95	1.04	1.00
47 Construction & Extraction	0.76	1.33	0.84	0.93	1.00
31 Healthcare Support	0.65	0.72	1.08	0.82	1.00
45 Farming, Fishing, & Forestry	0.62	20.11	0.27	2.53	1.00
51 Production	0.59	0.58	0.51	0.84	1.00
23 Legal	0.52	0.43	0.67	1.11	1.00

Source: EMSI, 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

3

THE PLAN

STRATEGIC PLAN STRUCTURE

Structure:

Vision→Goals→Strategies→Actions

Vision:

A leading center for business development, innovation, and high-wage job growth by leveraging its globally recognized military and aerospace assets and other unique advantages.

Goals:

1. Business Development
2. Talent Development & Recruitment
3. Innovation & Entrepreneurship
4. Tourism & Visitor Attraction
5. Regional Collaboration

1. BUSINESS DEVELOPMENT

Grow the East Kern economy through the retention and expansion of existing employers and the recruitment of new businesses and high-wage jobs.

- 1.1 Business retention & expansion
- 1.2 Business recruitment focused on target industries
- 1.3 Marketing
- 1.4 Sites & infrastructure

CREATIVE MARKETING APPROACHES



PERMISSION

RISK | SUCCEED | FAIL | CHALLENGE | INNOVATE

TARGET INDUSTRIES

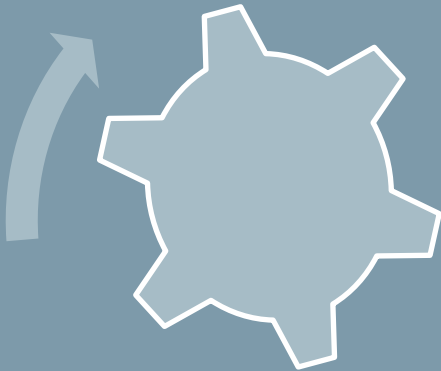
What does it mean to “target” an industry?

Marketing & recruitment initiatives.

Incentives & policies to support
growth.

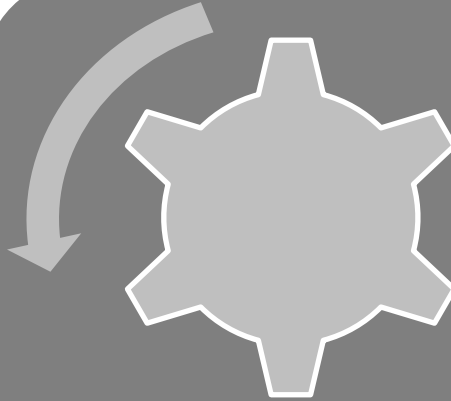
Talent & workforce initiatives.

TARGETING FRAMEWORK



QUANTITATIVE

- Employment base (size)
- Growth trends
- Concentration (location quotients)
- Impact



QUALITATIVE

- Local & regional targets
- Recent leads & prospects
- Sites/infrastructure
- Assets



STRATEGIC

- Industry trends
- Demographic trends
- Emerging technologies

EAST KERN'S STRATEGIC ASSETS

MARKET ACCESS



AVAILABLE SITES



TRANSPORTATION



BUSINESS & INDUSTRY



WORKFORCE



EDUCATION



TARGET INDUSTRIES FOR EAST KERN

AEROSPACE PRODUCTS, SERVICES, RESEARCH & TESTING

- Aerospace component manufacturing
- Aerospace & engineering services
- Research, testing & product development

NATURAL RESOURCES & CLEAN ENERGY

- Mining (minerals & metals)
- Mining equipment, suppliers & services
- Clean energy development (wind & solar)

OUTDOOR RECREATION & TOURISM

- Off-highway vehicle tourism, testing & product development
- Outdoor sports (hiking, biking, extreme/ adventure sports)
- Airplane & experimental aircraft enthusiast events & services

LOGISTICS & DISTRIBUTION

- Warehousing and distribution facilities
- Rail-served intermodal facilities

HEALTH CARE

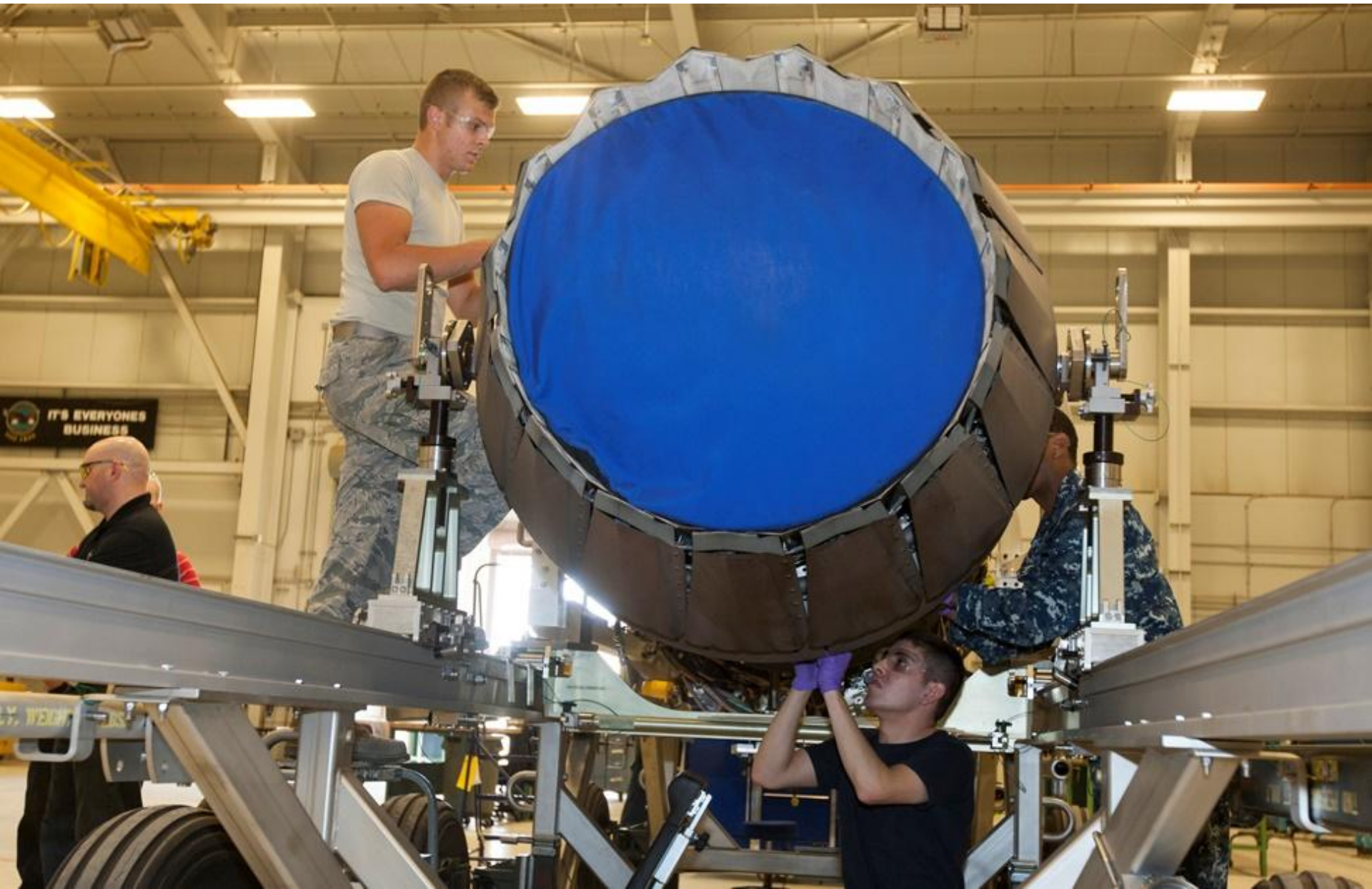
- Medical specialties
- Community health & wellness services
- Remote/ extreme medicine

2. TALENT DEVELOPMENT & RECRUITMENT

Develop a strong pipeline of local talent and attract skilled workers from outside of the region to support current and future employers.

- 2.1 STEM education & workforce training (aerospace & defense focus)
- 2.2 Cerro Coso Community College
- 2.3 Talent recruitment
- 2.4 Young professionals & civic leadership

STEM EDUCATION: AEROSPACE



3. INNOVATION & ENTREPRENEURSHIP

Cultivate a robust environment for innovation to fuel R&D, technology commercialization, and entrepreneurship.

- 3.1 Support structures
- 3.2 Regional network of “maker spaces”
- 3.3 Research & development
- 3.4 Connections to innovation hubs

CONNECTIONS TO INNOVATION HUBS



Artificial Intelligence

Leveraging artificial intelligence and machine learning for operational impact



Autonomy

Adopting and countering autonomous systems, with a focus on human-machine interaction and scalable teaming



Human Systems

Countering emerging biological threats while enhancing survivability, training, biomedical protection, and performance.



Information Technology

Making combat information open and accessible for operational forces



Space

Developing on-demand access to space, persistent satellite capabilities, and broadband space data transfer

4. TOURISM & VISITOR ATTRACTION

Enhance and connect East Kern's tourism assets to generate more spending in the regional economy and to raise the profile of the area for talent attraction.

- 4.1 Package & promote regional destinations
- 4.2 Develop new amenities & destinations
- 4.3 Festivals & events
- 4.4 Link tourism to economic development

OUTDOOR RECREATION



5. REGIONAL COLLABORATION

Formalize the EKEA as the primary vehicle to promote economic development in East Kern and to support opportunities related to NAWS China Lake & Edwards AFB.

- 5.1 Strengthen the EKEA
- 5.2 Coordinate economic development & workforce
- 5.3 New funding sources
- 5.4 Lobbying & advocacy

EAST KERN ECONOMIC ALLIANCE



5

EAST KERN COMMUNITY PLANS

BORON



BORON

Assets & advantages

- Rio Tinto as an “anchor” institution
- Tourism (20 Mule Team Museum, Saxon Aerospace Museum, Borax Visitor Center)
- Highway 58
- Boron Alive! nonprofit organization
- New medical clinic (connected with Tehachapi hospital)
- Vision plan

Key strategies

- Support Rio Tinto (talent + mining suppliers/service providers)
- Long-range use of Rio Tinto’s land holdings for business attraction
- Tourism development, incl. Twenty Mule Team Rd.
- Fill significant gaps/needs (e.g., health care)
- Establish a Municipal Advisory Council

CALIFORNIA CITY



CALIFORNIA CITY

Assets & advantages

- Central location within East Kern
- Proximity to Edwards AFB
- OHV trails
- Land available for development
- California City Municipal Airport

Key strategies

- Organizational alignment (City, Chamber, EDC)
- Preparation & packaging (data, sites, tools)
- Marketing & relationship development

MOJAVE



MOJAVE

Assets & advantages

- Mojave Air & Spaceport (MASP)—innovative firms & large pool of talent
- Central location in East Kern
- Transportation access (Hwys 58 & 14, BNSF & UP rail lines)
- Mojave Foundation
- Establish a Municipal Advisory Council

Key strategies

- Talent attraction & development
- Aerospace cluster development
- Community development

RIDGECREST



RIDGECREST

Assets & advantages

- NAWS China Lake & NAWC-WD
- Cerro Coso Community College
- Outdoor recreation & tourism
- Inyokern Airport
- CSU-Bakersfield SBDC

Key strategies

- Support & capitalize on China Lake (talent, innovation, entrepreneurship)
- BRE & business recruitment
- Expand role of Cerro Coso
- Tourism & visitor attraction
- Organizational alignment

ROSAMOND



ROSAMOND

Assets & advantages

- Gateway to Edwards AFB
- Proximity to Los Angeles County
- Well-developed status as a residential community
- Tourism assets (Willow Springs Int'l Raceway, Exotic Feline Breeding Compound)
- Relatively new housing
- Rosamond Municipal Advisory Council

Key strategies

- Strengthen role as residential destination for Edwards AFB personnel
- Expand housing options for different groups (young professionals, families, seniors)
- Recruit suppliers/service providers tied to Edwards AFB and Lancaster/Palmdale aerospace firms
- Continue developing amenities in the Diamond Street district

TEHACHAPI



TEHACHAPI

Assets & advantages

- Mountains & elevation
- Main Street & downtown area
- Location along Highway 58 corridor
- Proximity to Bakersfield & Lancaster/Palmdale
- New hospital & related business opportunities

Key strategies

- Preparation & packaging (data, sites, tools)
- Internal marketing & communications
- Traded sector development
- Retail sector development
- Visitor attraction & events

5

NEXT STEPS

IMPLEMENTATION

	RESPONSIBLE PARTIES/ POTENTIAL PARTNERS	TIMEFRAME			
		Ongoing	Next 12 <u>mos</u>	1 to 3 years	3 to 5 years
GOAL 1: BUSINESS DEVELOPMENT					
Strategy 1.1. BUSINESS RETENTION & EXPANSION: Establish an East Kern business visitation program.					
1.1.1. Create, maintain, and grow a database of existing businesses in East Kern.	Kern EDC, GAVEA, Local Partners	◆			
1.1.2. Use the business visitation program to meet with all major employers, high-growth firms, and other key businesses on an annual basis.	Kern EDC, GAVEA, Local Partners	◆			
1.1.3. Host regular CEO breakfasts and other networking events in different East Kern communities on a rotating schedule.	Local chambers of commerce	◆			
Strategy 1.2. BUSINESS RECRUITMENT: Recruit new business investments and companies into East Kern.					
1.2.1. Focus business recruitment and marketing efforts on five target industries.	Kern EDC, GAVEA, Local Partners	◆			
1.2.2. Strengthen business recruitment efforts by cultivating relationships with business decision makers.	Kern EDC, GAVEA, Local Partners	◆			
1.2.3. Work with local economic and workforce development organizations to develop a set of actions aimed at capitalizing on the major Northrup Grumman expansion in Palmdale.	Kern EDC, GAVEA, Mojave Air & Spaceport, Cerro <u>Coso</u>	◆	◆		
1.2.4. Work with local economic development organizations to identify and attract new defense sector companies, investments, and employment.	Kern EDC, GAVEA, Mojave Air & Spaceport	◆			
1.2.5. Leverage East Kern’s proximity to Greater Los Angeles and Las Vegas to promote the region as an investment opportunity for high net worth individuals.	Kern EDC, GAVEA	◆		◆	◆
1.2.6. Conduct a regional “fam tour” for site consultants and commercial real estate brokers to generate awareness of East Kern as a destination for business expansions and investment among executives.	Kern EDC, GAVEA, Local Partners		◆		

NEXT STEPS

- Adopt East Kern Diversification Plan & move into implementation phase
- Continue working with Kern EDC to convene the EKEA as the region's key stakeholder group
- Continue supporting implementation efforts of the 6 individual community plans
- OEA funding requests for implementation:
 - Full-time staff person for EKEA
 - Combined “maker space” + training space + networking space (Mojave & Ridgecrest locations)



QUESTIONS

THANK YOU



2905 San Gabriel Street
Suite 205
Austin, TX 78705

512.343.9113

www.tipstrategies.com